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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 7, 2011

CERTIFIED RETURN RECEIPT

7005 2570 000 4801 5907

Jeff Sagers
Castle Valley Stone LLC
900 North Redwood Road
Salt Lake City, Utah 84054-0700

Subject: Evaluation of Reclamation Surety, Castle Valley Stone LLC, Brown's Canyon Rock Quarry, M/043/0017, Salt Lake County, Utah

Dear Mr. Sagers:

The Division of Oil, Gas and Mining's last reclamation cost estimate for the Brown's Canyon quarry was \$83,100 escalated to 2011 dollars, so the reclamation surety amount is now due for review and adjustment. The Division may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6).

The Division has developed worksheets to assist both the Division and mine operators to calculate the reclamation surety amount using standard unit costs. They are available on the web site at <http://www.ogm.utah.gov/minerals/>. Please complete these forms and return a copy to the Division for review. Once the forms have been reviewed, the Division will ask that you adjust the amount of surety to reflect the current reclamation cost estimate. **Please submit the reclamation cost estimate as an amendment to the Notice of Intention to Commence Large Mining Operations (LMO) by December 5, 2011, so the information is incorporated into the approved plan.**

If you have questions about the spreadsheet or calculations, please contact Wayne Western at 801-538-5263 or by e mail at waynewestern@utah.gov.

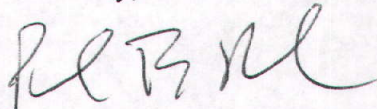
The Division also requests that you review the current LMO to ensure it is adequate and reflects the current operating conditions. Any necessary changes should be addressed by submitting an amendment to the LMO.



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Jeff Sagers
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October 7, 2011

Thank you for your cooperation. Please call me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have questions about this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'PBB', with a stylized flourish at the end.

Paul B. Baker
Mining Program Manager